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STATE ALSO FOR AF/C, CA/VO/L/C AND INL/C

E.O. 12958: DECL: 08/26/2018
TAGS: KCOR KCVM EMIN CVIS CM
SUBJECT: VISAS DONKEY: CELESTIN NDONGA CORRUPTION 212(F)
SAO REQUEST

REF: A. 07 YAOUNDE 1428
 1B. 09/05/08 BROWN EMAIL TO INL/C BECKER
 1C. KOHN AND LEVENTHAL

Classified By: Political Officer Tad Brown for Reasons 1.4 b and d.

11. (U) This cable contains an action request for the Department. See paragraph 14.

12. (C) Summary. Celestin Ndonga is a public servant whose influence--exclusively negative--far exceeds his official positions and whose corrupt acts have damaged an American company and dealt setbacks to USG interests in Cameroon's economic development. As a Technical Advisor in Cameroon's Ministry of Mines, Ndonga solicited bribes from an American company and, when refused, sought to torpedo the project in favor of competing interests to whom Ndonga is financially attached. In his current role as the General Manager of Cameroon's Electricity Development Corporation (EDC), Ndonga continues to interfere in the development of mining projects outside of his official competence. Without the public profile of a Cabinet official, Ndonga thrives in the murky labyrinth of Cameroon's economic machinery, using official cover to divert public contracts toward favored companies and to pressure investors into paying bribes disguised in official-sounding language. End summary.

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Ndonga's Corrupt Acts
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13. (C) Although we have received reports of Ndonga's malfeasance across a wide range of activities and from a broad spectrum of sources, Post has strong evidence that Ndonga has:

--solicited a bribe from an American mining project in Cameroon;

--sought to use his official capacity for personal gain.

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Solicitation of Bribes
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14. (C) In the midst of negotiations with the Government of Cameroon (GRC) regarding the terms of a mining convention, officials from Hydromine, an American-led mining project (ref a), confided to Emboffs that they believed Ndonga was seeking to derail their project in favor of competing interests. Ndonga was at the time Technical Advisor to the Minister of Mines. In late 2007, an official from Hydromine provided Poloff with a copy of a letter (copy sent ref b) purporting to show that Ndonga had solicited a bribe from Hydromine in order to "facilitate" the negotiation of Hydromine's convention. The letter, which appears on the letterhead of the Ministry of Mines, Industry and Technological Development (MINIMDT), is signed by Ndonga. The letter indicates that

Hydromine should pay 50,000,000 CFA (roughly \$100,000) to pay for "expert assistant to elaborate the convention."

15. (C) Hydromine officials told Emboffs that they perceived the letter as a poorly disguised bribe attempt and refused to pay. Why, they wondered, should Hydromine be asked to pay in order for GRC officials to simply discharge their responsibilities? Hydromine's Cameroonian representative told Poloff in late August that he had sought the advice of Jean Paul Nkounchou Somo, Charge de Mission at the Presidency, who told him that Hydromine should "pay Ndonga" if Hydromine wanted to obtain the convention. The Hydromine official said he understood this to indicate that Ndonga had promised to share the proceeds of the bribe with other senior officials.

16. (C) Poloff met with Dr. Calistus Fuh Gentry, the Secretary of State (a cabinet-level position) at MINIMDT on September 5 to understand whether Ndonga's request was consistent with GRC regulations. (Note: Fuh is well known to the Embassy as a rare instance of a clean and effective GRC minister. Fuh has received rave reviews from American, British and Australian mining experts with whom we have spoken. End note.) Fuh reviewed the letter with MINIMDT's Inspector General and the two presented their conclusions to Poloff, confiding that they had already been aware of Ndonga's activities. According to Fuh, Ndonga's letter was "a complete scam" that had no basis in Cameroon's laws or regulations.

17. (C) The Inspector General told Poloff that the services for which Ndonga purported to charge Hydromine were supposed to be provided as part of the MINIMDT's normal duties. In

fact, he continued, he himself had chaired the meeting that carried out the work that Ndonga was claiming to conduct. The committee met over many days and compiled a detailed analysis of Hydromine's proposal. The committee--which included more than 20 experts from across the GRC--conducted its work at no charge to Hydromine. Fuh closed the conversation by remarking: "Corruption in Africa has become more sophisticated. Now corrupt officials dress up their bribes with official-sounding reasons on official-looking documents."

18. (C) Officials from Sundance Resources, an Australian iron ore project, told Poloff that Ndonga had made a similar request for a "facilitation" payment from them. Feeling uncomfortable with the request (which they perceived as inappropriate), Sundance officials initially pushed back, but finally agreed to a payment of about \$600,000 to a "task force" established by the Prime Minister's office that, they say, was structured in such a way so as to comply with Australian and American corruption regulations. Nonetheless, one Sundance official expressed discomfort with the deal, arguing that, although it was technically legal, he had no doubt that the funds are being used to line the pockets of Ndonga, members of the "task force" and GRC and their friends, hired as consultants.

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Using Official Capacity for Personal Gain

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19. (C) Post has received a series of allegations that Ndonga has used his official position--first at MINIMDT and now also at EDC--to steer business towards companies in which he has a personal stake. A Hydromine official said Ndonga pressured Hydromine to hire his "consultancy" companies although it was evident that their alleged services provided no value.

10. (C) Prior to assuming the title of Technical Advisor, Ndonga was the Director of Industry at MINIMDT for fifteen years. According to press reports and Hydromine officials, Ndonga used his position to direct a 2002 MINIMDT contract for the creation of an Investment Charter to the Premium Consultancy Agency, a company that founded and run by Ndonga

himself.

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Damage to American Interests

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¶11. (C) Ndonga's corrupt activity has damaged American commercial interests and had a negative impact on Cameroon's economic development, a primary USG objective in Cameroon. The AMCIT CEO of Hydromine told Poloff that Ndonga's corrupt activity had dealt substantial setbacks to Hydromine's \$6 billion project in terms of time and money. According to Hydromine and Embassy sources in the Ministry of Mines, Ndonga received and distributed bribes from Hydromine's competitors meant to derail the Hydromine project. Hydromine believes that Ndonga funded and arranged for a flurry of news articles that sought to sully the Hydromine project shortly after Hydromine refused to pay Ndonga.

¶12. (C) Ndonga's meddling has delayed several multi-billion dollar projects. In addition to the Hydromine project, Ndonga's position as the chair of the committee negotiating Sundance's mining convention has complicated their efforts to finalize a deal. Sundance officials have expressed frustration at the negotiations and Ndonga's insistence on "facilitation" payments. Ndonga's continued interference in these mining projects is particularly baffling because he already has a full-time job, as the General Manager of the Electricity Development Corporation (EDC), a parastatal created to manage the construction of the Lom Pangar Dam and other hydro-electric projects. Officials from the American company AES have complained to Poloff about Ndonga's role as the head of EDC, saying that Ndonga has no experience in the power sector. AES contacts claim Ndonga sought only to protect the interests of ALUCAM, the Rio Tinto-owned aluminum plant with whom he has been closely aligned since his tenure at MINIMDT.

¶13. (C) Comment. Ndonga's letter soliciting a bribe from Hydromine is a smoking gun, but his crimes are more extensive than that simple act of corruption. Playing a central role in three of Cameroon's most important development projects, Ndonga has put his corrupt personal interests above his official responsibilities. His ability to don the cloak of officialdom--official-sounding documents and a series of custom made positions--makes his corruption all the more pernicious. American and other investors looking to help

Cameroon's economic development are easily fooled into thinking their engagements with Ndonga are legitimate. Ndonga and his cronies pocket the proceeds, foreign investors become mired in confusing bureaucratic games and the Cameroonian people are left holding the bill--in the form of an underdeveloped and a stagnating economy. End comment.

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Impact of a 212f Finding

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¶14. (C) Post believes that a finding of ineligibility under 212f will have a positive impact on U.S. interests in Cameroon. Such a decision will show that the USG is serious about applying American law to corrupt Cameroonian officials. If the decision becomes public, it will serve to weaken Ndonga's position in the GRC and private sector, likely leading to his total marginalization. Ndonga's rise has been meteoric recently, largely due to his willingness to use his official position to steward the business interests of Rio Tinto-owned ALUCAM. This decision will slow and likely derail his ascent.

¶15. (C) Action request. Post requests that Washington find Celestin Ndonga ineligible to enter the U.S. under Section 212(f) of the Immigration and Nationality Act because his corrupt acts have had a substantial negative impact on significant US interests in Cameroon. End action request.

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Ndonga's Application

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¶16. (SBU) Ndonga applied on August 26 for a B1/B2 visa to visit the US to conduct business on behalf of EDC. The application was refused 221(g) for administrative processing.

At the time of application, Ndonga was accompanied by an official from EDC, who was issued a visa. Ndonga has previously held a B1/B2 visa issued on March 6, 2001, which expired on September 5, 2001.

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